



LATVIJAS KUGNIECĪBA

Webinar presentation

28 April 2016

You have successfully joined
JSC "Latvijas kuģniecība" webinar hosted by:



Robert Kirkup
Chairman of the
Management Board



Santa Spūle
Finance Director



Ģirts Apsītis
Advisor to the Chairman of
the Management Board

The webinar will be activated on April 28,
2016 at 16:00 (EET)

Meanwhile please send your questions in
advance to:
Kristine.Zalite@nasdaq.com

AGM decisions in a nutshell

- 2015 Annual Accounts approved
- 2015 profit will be used to cover accumulated losses from previous years
- 2016 Annual Accounts will be audited by «KPMG Baltics»
- New Supervisory Council elected
- 75 % shareholders support for share capital increase was not reached

Refinancing

USD 48.6 million loan:

- Loan Agreement dated June 2011
- Financed fleet: 2 vessels
- Lenders: Credit Agricole - CIB
- Borrowers: 2 single vessel companies, 100% subsidiaries of Arctic Holding Corp.
- Balance 31/12/2015: USD 35.1 million
- Maturity:
 - m/t Latgale – 22 June 2016
 - m/t Zemgale – 21 July 2016
- Payment at maturity:
 - m/t Latgale– USD 17.0 million
 - m/t Zemgale– USD 17.0 million

USD 360 million loan:

- Loan Agreement dated December 2004
- Financed fleet: 14 vessels
- Lenders: syndicate of 6 banks (originally 9 banks)
- Corporate guarantors: LSC Holdings Ltd. and JSC Latvijas kuģniecība
- Borrowers: 14 single vessel companies, 100% subsidiaries of LSC Holdings Ltd
- Balance 31/12/2015: USD 156.1 million
- Maturity: 30 June 2017
- Payment at maturity: USD 126.1 million

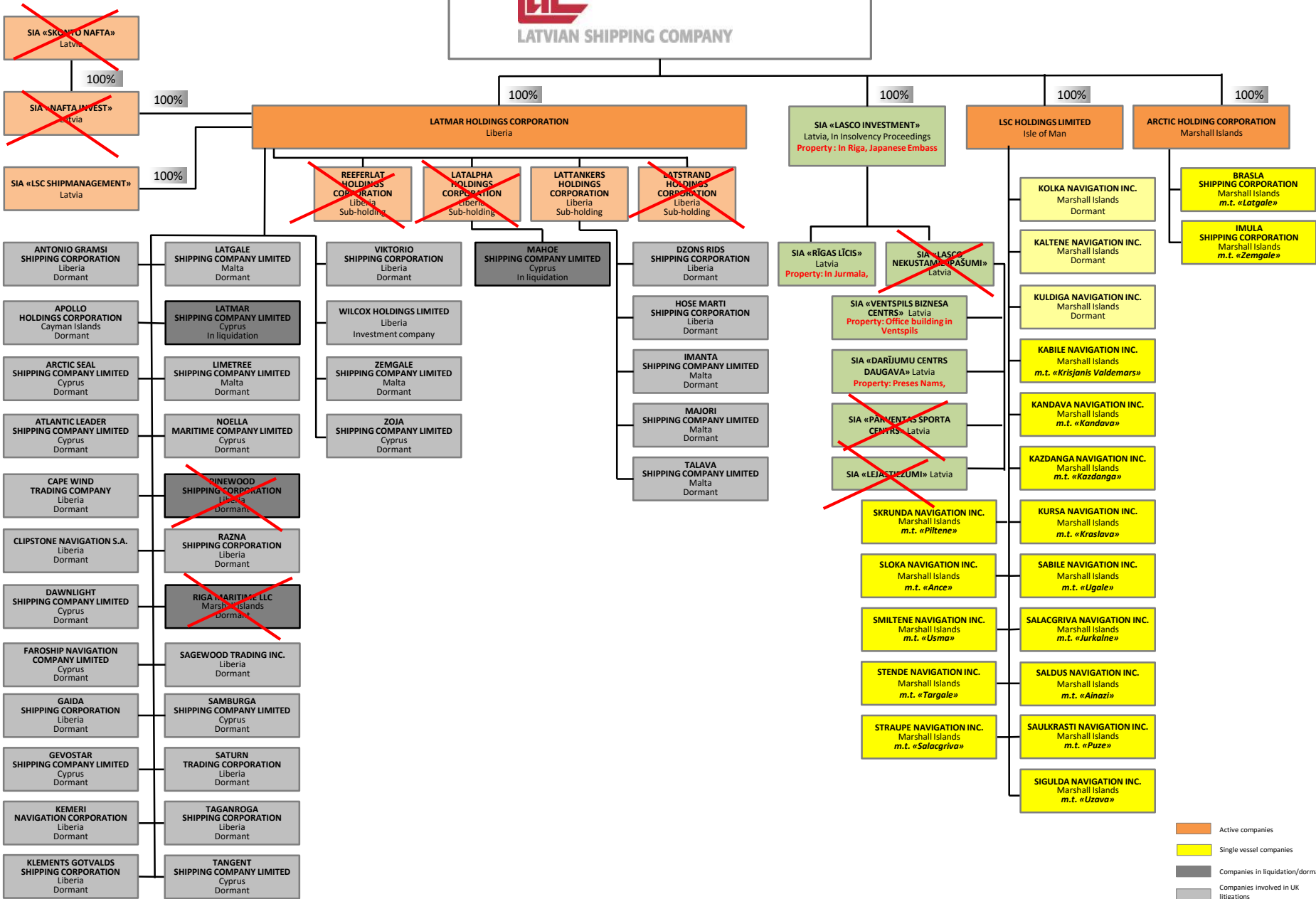
Plan B

Options to fulfil debt obligations:

- 1) capital raising – not supported by shareholders
- 2) refinancing
- 3) asset selling

Negotiations with banks initiated:

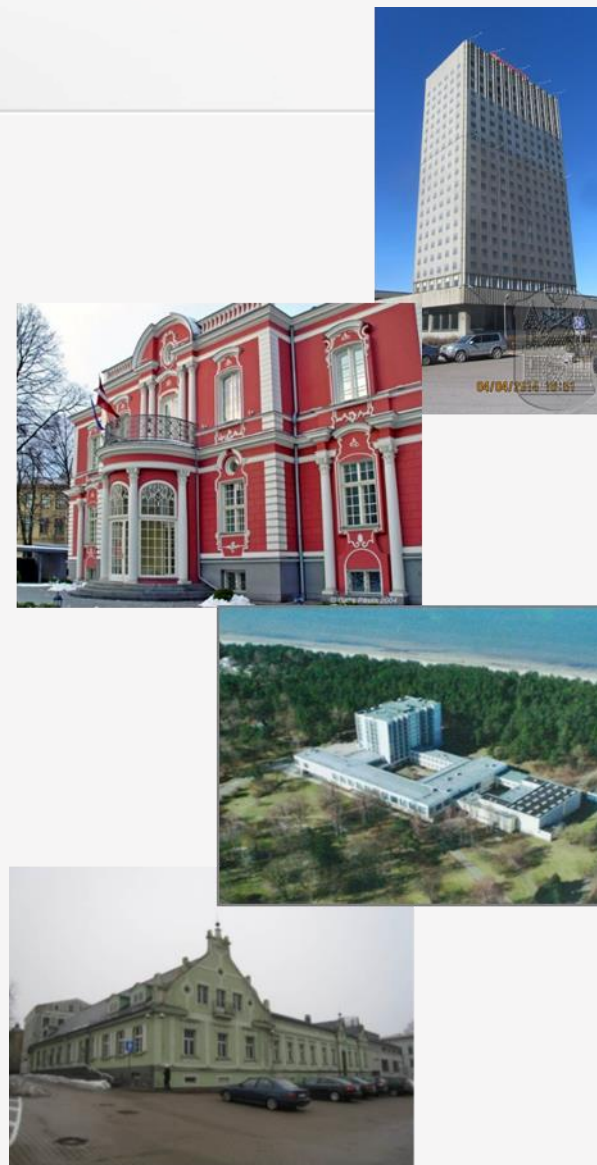
- extension of \$34.0mm loan facility till June 2017
- new joint loan facility from syndicate with smaller amount of involved banks from June 2017



- Active companies
- Single vessel companies
- Companies in liquidation/dormant
- Companies involved in UK litigations
- LASCO investment companies under LSC Group control

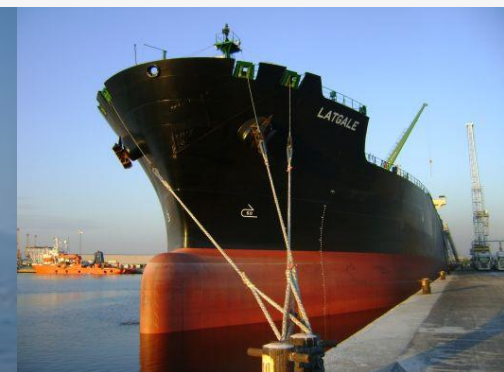
LASCO Investment

- Legacy over LASCO Investment regained in August, 2015
- The current market value of properties owned by LASCO Investment is EUR 26m, while its outstanding debt against Ventspils nafta – EUR 41m, against LSC Group – EUR 63m.
- **LASCO Investment liabilities are limited within LASCO Investment Group, no parent company guarantees issued.**
- LSC intends to sell these properties at an orderly market price ('as is') rather than developing them as this is a non-core activity.
- The properties are in prime locations in Riga, Jurmala, Ventspils and the surrounding areas and include:
 - SIA Darijuma centrs Daugava (Riga): partially rented out
 - Building at A.Briana 3 (Riga): rented out
 - SIA Rigas Licis (Jurmala): conserved / offers received
 - SIA Ventspils business centre (Ventspils): rented out
 - *Property Lejastiezumi (outside Ventspils): sold*
 - *Ventspils sport hall: sold*



Fleet 2016

- No changes in commercial fleet expected:
 - 12 Medium range tankers - average age of 8 years
 - 4 Handy size tankers - average age of 9 years
- Strong emphasis on technical management of third party vessels:
 - 16 LSC owned tankers
 - 6 third party tankers
 - one additional third party tanker is expected to be received in May
 - active negotiations with different third party shipowners



Q&A